



The Chartered
Institute of Logistics
and Transport

The
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CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT (CILT)

EXAMINATIONS IN COLABORATION WITH MANAGEMENT

UNIVERSITY OF AFRICA

ADVANCED DIPLOMA IN LOGISTICS AND TRANSPORT

INVENTORY AND WAREHOUSING MANAGEMENT

DATE: 22 ND FEB 2018

DURATION: 2 HOURS

MAXIMUM MARKS: 70

FINAL EXAMINATION 2018

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

Question One

Read the case study and answer questions a) and b).

CASE STUDY:TIMSALES LIMITED

Nzioka and Omondi were lucky after graduating from the University with Bachelors degree in management. They were employed by Timsales Limited which was almost closing down and their main assignment was to critically look at the current stock and the disposal of un-useable materials. Here are their observations:

Nzioka: we don't have any problems with the materials, but only opportunities to solve a few difficulties.

Omondi: there is no such thing as un-sealable or junk, because there is a buyer for everything at the right price.

The previous management had used the method of burning all the wood product waste and the neighbourhood companies and environmentalist had strongly opposed the habit where thick smoke and foul smell was affecting them. Nzioka found a customer who would buy the pieces of wood at 500 shillings per handcart and arranged the loading by himself. Omondi discovered a flower landscaping company that started buying the logs off-cuts to be used as flowered stands for their clients and the sawdust sold to poultry farmers who provided their own sacks and labour at 100 shillings per sack.

Within the four months of their employment, Nzioka and Omondi made the compound clear of waste and smoke as well as contributing to increased revenue. The Managing Director of Timsales Limited was amazed at the contribution of the two officers and wrote to their former University to express his appreciation.

Case questions

a) "There is no such a thing as un-useable junk as there is a buyer for everything. At the right price." Discuss this position in relation to Timsales Limited disposal dilemma. (10 marks)

b) If you were Nzioka and Omondi, explain what you would recommend to Timsales Limited management concerning inventory disposal. (15 marks)

Question Two

Discuss some of the value-added activities that can be performed by warehouses and distribution centres. (15 Marks)

Question Three

In what ways has technology improved the operations of warehouse in the today's marketplace? In your judgment, what are some of the challenges that have resulted from these technological advances?

(15 Marks)

Question Four

Warehouse operations are important in the supply chain. Discuss the factors to be considered in designing a warehouse in a fruit processing supply chain, giving examples of trade-offs involving space, labour, and mechanization.

(15 Marks)

Question Five

Warehouse goods storage location is either random or specific. Discuss situations in the supply chain that would necessitate use of either and the circumstances that would require automated or manual handling systems.

(15 Marks)

Question Six

a) Explain the five main Inventory valuation methods and their contribution to organizations net-worth. (5 Marks)

b) Stock taking exercise carried out on July 31 had its results as per the table below. Calculate the values of stock using all the five methods stated in a) above, and show all workings

Dates	Units On Hand	Received Units	Unit Cost	Issued Units
1 st July	40		950	
5 th July		50	900	20

8 th July		80	850	50
25 th July		100	750	20

(10 Marks)